Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Message Text

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PAGE 01 PORT A 02360 052129Z

73
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 GSA-01 L-02 PA-01

PRS-01 USIA-06 ARAE-00 /060 W
---------- 095563
O P 052045Z DEC 74
FM AMEMBASSY PORT AU PRINCE
TO AMEMBASSY GEORGETOWN IMMEDIATE
SECSTATE WASHDC PRIORITY 8933
INFO AMEMBASSY KINGSTON
AMEMBASSY PORT OF SPAIN
AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L PORT AU PRINCE 2360

E.O. 11652: GDS
TAGS: EMIN, EINV, HA
SUBJECT: GOH NEGOTIATIONS WITH REYNOLDS ON BAUXITE

REF: (A) GEORGETOWN 2129; (B) PORT-AU-PRINCE 2348

1. AGREEMENT BETWEEN GOH AND REYNOLDS PROVIDES PAYMENT TO GOH OF 6.3 PERCENT OF REALIZED VALUE PER SHORT TON OF ALUMINUM FOR AIOUR PLUS A ROYALTY OF US $0.50 PER TON OF BAUXITE EXPORTED. IN ADDITION THERE WILL BE FURTHER NEGOTIATIONS EARLY IN 1975 ON THE POSSIBILITY OF GRANTING AN ADDITIONAL 1.2 PERCENT FOR 1974, INTO WHICH COMPANY HOPES THE AFOREMENTIONED ROYALTY WOULD BE SUBSUMED. ACTUAL PERCENTAGE WILL DEPEND UPON ANY AGREEMENT WITH JAMAICA, TAKING INTO CONSIDERATION FACT COSTS OF EXTRACTING BAUXITE ARE HIGHER IN HAITI THAN IN OTHER COUNTRIES. COMPANY ESTIMATES THAT IT WILL OWE 7 MILLION DOLLARS FOR 1974 (INCLUDING THE EXTRA 1.2 PERCENT) AND NOT THE 11 MILLION DOLLARS WHICH THE GOH CLAIMS (REF B).

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PAGE 02 PORT A 02360 052129Z

2. REYNOLDS WILL ALSO RETURN SOME LAND EITHER TO GOH OR

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

TO INDIVIDUAL FARMERS AND HAS BEEN ASKED BY SECRETARY OF
PUBLIC HEALTH TO ENLARGE HEALTH FACILITIES. ONE POINT
STILL UNSETTLED IS DEMAND BY GOH THAT WAGES BE INCREASED
BY 60 PERCENT. COMPANY OFFICIALS WOULD ONLY PROMISE TO REVIEW
SITUATION SINCE THEY HAD NEGOTIATED A TWO-YEAR WAGE AGREEMENT
WITH THE EMPLOYEES IN JULY 1974.

3. COMPANY OFFICIALS CHARACTERIZED NEGOTIATIONS AS BEING
PRACTICALLY INTOLERABLE, NOTING THAT THEY HAD ARRIVED IN HAITI
PLANNING TO OFFER HAITIANS DEAL COMPARABLE TO EVENTUAL HAITIAN
SETTLEMENT ONLY TO BE MET IN CONFERENCE ROOM WITH IMPASSIONED
DEMAGOGIC SPEECHES, IMPOSSIBLE WORKING HOURS (OCCASIONALLY RUNNING
OVER 12 HOURS WITHOUT STOPPING FOR A MEAL) AND THREATS ON BACK
TAXES (THIS POINT STILL NOT SETTLED). JAMAICANS WERE NOT PRESENT
DURING THE MEETINGS BUT APPARENTLY WERE KEPT INFORMED BY HAITIANS.

4. GOH VERSION OF NEGOTIATIONS DIFFERS FROM ABOVE AND WILL BE
REPORTED SEPARATELY.
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Message Attributes

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US Department of State
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